



Panel 14 - Capabilities Assessment & Privatization of Defense Acquisition

Fred Thompson, Goudy Professor of Public Management and Policy, Atkinson Graduate School of Management, Willamette University

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Budget Uncertainty and Business Management Reform in the Department of Defense: Some Consideration for Acquisition Management

Philip J. Candreva and Douglas A. Brook, Naval Postgraduate School

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Improving National Defense Acquisition and Resource Management through Enterprise Organization, Capabilities Assessment, Radical Reengineering, Capital and Longer-term Budgeting and Privatization/Marketization

Jerry L. McCaffery, Naval Postgraduate School

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Budget Uncertainty and Business Management Reform in the Department of Defense

- Defense budgets are going to fall
- Current capacities cannot be sustained
- Big changes in force structure, operations, etc. are needed to meet future contingencies
- It's silly to think that we can address coming shortfalls improved management alone, *although improved management ought to be pursued for its own sake*



Improving National Defense Acquisition and Resource Management

- Incremental vs. Transformational reform
 - Elimination of PPBES
 - Present value budgeting
 - Radical re-engineering of acquisition process
 - Marketization/privatization of acquisition



Purpose

- How should human agents use their minds to contrive actions aimed at converting existing conditions into preferred conditions?
- How should communities of researchers and educators assist practitioners in doing so?



The design perspective



- The design perspective poses what-to-do questions, such as
 - How to organize?
 - How to innovate?
 - How to produce efficiently?
 - How to identify and mitigate risks?
 - How to lead?
- The design school also provides answers in the form of “practice theories”



How, Indeed?

- *Investigate* cases whose performance characteristics are outstanding
- *Assume* that performance is attributable to social processes in which practice features play a contingent and instrumental role
- *Attribute* a practice's performance to the activation or suppression of social mechanisms

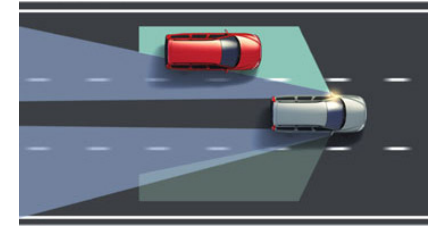


How can real-world actors utilize such research?

- Contrive features that activate the same sorts of constructive mechanisms in the target situation as have worked elsewhere
- Contrive process design features that –in combination with actor participation and operating context – suppress those mechanisms whose effects would undermine a practice's performance



The design perspective's blind spots



- Tends to associate means-ends claims with unwarranted cause-effect claims
- Tends to suggest (misleadingly) that the official organization describes the actual organization
- Tends to undervalue improvisation and mutual adjustment as patterns of action
- Tends to offer superficial conceptions of how management instruments become incorporated into the organizational fabric